LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394 408 PETROLEUM BUILDING BILLINGS, MONTANA 59103-3394 (406) 245-5077

March 25, 1987

DIVISION OF OIL, GAS & MINING STATE OF UTAH 355 W. North Temple 3 Triad Center, Suite 350 Salt Lake City, UT 84180

Attention: Ron Firth

DIVISION OF OIL. GAS & MINING

Dear Ron:

Enclosed for your approval please find, in duplicate, two APD's covering the drilling of our Quinoco Federal No. 11-3 and No. 11-10 wells in Grand County, Utah. We hope to drill these wells in mid-May, so your expedient handling of these APD's is appreciated. Please contact Ken Currey to set up on-site inspections.

Please advise if any further information is required. Thank you.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY

JGR/1w

Enclosures

xc: Ken Currey

Form 3160-3

_;ATE* SUBMIT IN TRI (Other Instructions on

Form approved. Budget Bureau No. 100

(November 1983) (formerly 9-331C)		TED STATES T OF THE INT	reverse s	ilde)	Expires August 31, 1985
		LAND MANAGEM			5. LEASE DESIGNATION AND BERIAL NO. U-49534
	N FOR PERMIT	TO DRILL, DEE	PEN, OR PLUG I	BACK	6. IF INDIAN, ALLOTTED OR TRIBE NAME
	ILL X	DEEPEN 🗌	PLUG BA	CK 🗌	7. UNIT AGREEMENT NAME
WELL T	VELL X OTHER		SINGLE MULTII	PLE [S. FARM OR LEASE NAME
2. NAME OF OPERATOR	n Draduation Co	Mm 2 10 1 4			Federal
LONE MOUNTED	n Production Co	iipany		· · · · · · · · · · · · · · · · · · ·	
	m Duilding D A	Pay 220/ Pi	llings Montana	50103	11-3 10. FIRED AND POOL, OR WILDCAT
	Report location clearly and		llings, Montana !	33103	1 /
At surface	•	#t 1	NIE(G)EI(M)	国四	VBryson Canyon 11. ssc., T., B., M., OR BLK.
88	8' FNL, 2050' F	ML 190		곡!! !!!	AND SURVEY OR AREA
At proposed prod. zo	ne	Mr Hel by			NEINWI Sec.11-T17S-R24E SI
	MC DIRECTION FROM NEA		MAR 2 7		12. COUNTY OR PARISH 13. STATE
24 miles n	orthwest of Mac	k, Colorado		שנ	Grand Utah
LUCATION TO NEARES		: 432' 1 8.	BIV:OF OIL, BASTEM	HIGHO T)F ACRES ASSIGNED HIS WELL
PROPERTY OR LEASE (Also to nearest dri	LINE, FT. Drilling U	nit: 590' 🔽	120		160
18. DISTANCE FROM PRO		19.	PROPOSED DEPTH	1	RY OR CABLE TOOLS
OR APPLIED FOR, ON TE		None	6000' min	Ro	tary
21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)		$ \mu$	·····	22. APPROX. DATE WORK WILL START*
7061' GL, 70	72' KB				May 31, 1987
23.	1	PROPOSED CASING A	ND CEMENTING PROGR	AM	
SIZE OF HOLE	BIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	1	QUANTITY OF CEMENT
12 1/4"	9 5/8" new	32.30# L.S.	200'	150 s	acks Class "G" (to surface
8 3/4"	7" new	20# L.S.	2300'		acks 50-50 Pozmix
6 1/4"	4 1/2" new	11.6#	6000'		acks RFC

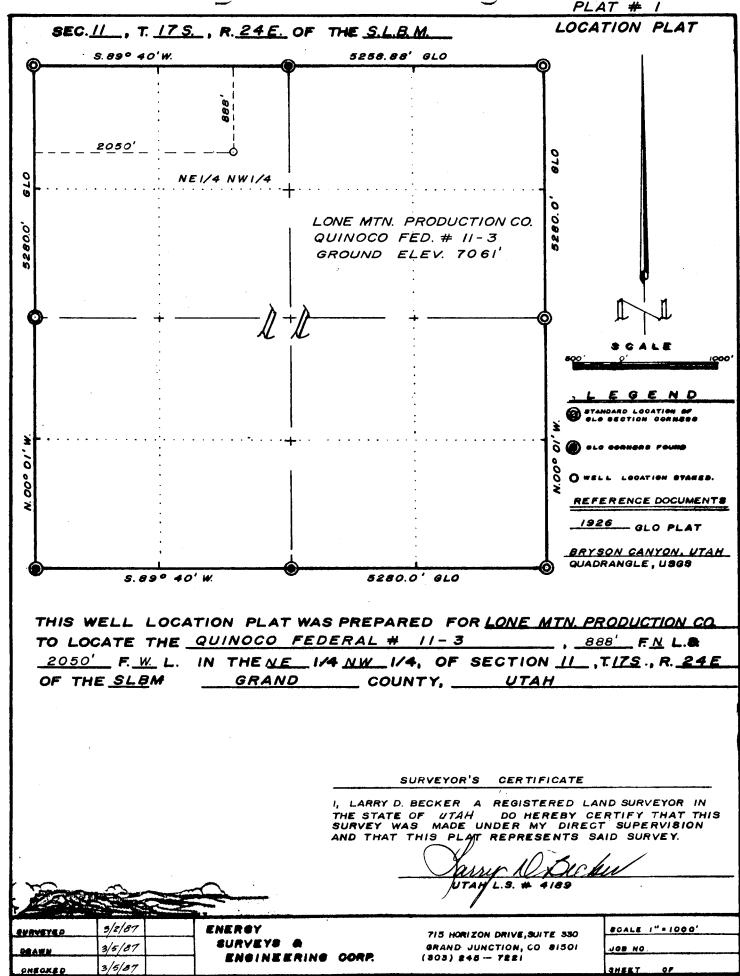
- Surface formation is the Mesaverde.
- Anticipated geologic markers are: Castlegate 2091', Mancos 2231', Dakota Silt 5631', Dakota Sand 5746', Morrison 5889'.
- Gas is anticipated in the Dakota and Morrison. No oil or other minerals are 3. anticipated. Minor water sands are expected in the Mesaverde.
- Proposed casing program: See Item No. 23 above. 4.
- Pressure control equipment: See attached well control plan and schematic of drilling contractor's BOP stack. BOPs will be tested before drilling out from under surface casing and checked daily.

(Continued on page 2)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout

preventer program, if any.			
SIGNED James & Roman	TITLE	Petroleum Engineer	DATE March 25, 1987
(This space for Federal or State office use) PERMIT NO. 43-0/9-3/240		APPROVAL DATE OF HEAH D	
APPROVED BY	TITLE	OIL, GAS, A	ND MINING
CONDITIONS OF APPROVAL, IF ANY:		DATE 4-6-	Bux
*See	Instruction	WELL SPACING	G: 13 4 8/28/86

- 6. Air or mist drilling will be used to drill the surface hole and intermediate hole unless water is encountered. If water is encountered, chemical gel-type mud will be used. The well will be air drilled from under intermediate casing to total depth.
- 7. Auxiliary equipment: See well control plan.
- 8. The logging program will consist of a DIL log from TD to base of intermediate casing, GR-FDC-CNL logs from TD to 500' above the Dakota Silt, and a cased hole GR-CNL from 2400' to 1900'. No cores or DSTs are planned.
- 9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
- 10. Anticipated spud date is May 31, 1987. Completion operations should commence within 30 days of rig release.
- 11. Survey plats are attached.
- 12. The gas is dedicated to Southwest Gas Company.
- 13. Lone Mountain is the designated successor operator for the communitized N₂ of Section 11. Forms were filed last year when Lone Mountain reworked the Federal No. 11-6 well.
- 14. Lone Mountain has obtained a treasury note held in the BLM account in Denver, Colorado, in lieu of a statewide bond. Other owners under the communitized area are Quinoco and Ferguson, both of whom are bonded.



WELL CONTROL PLAN

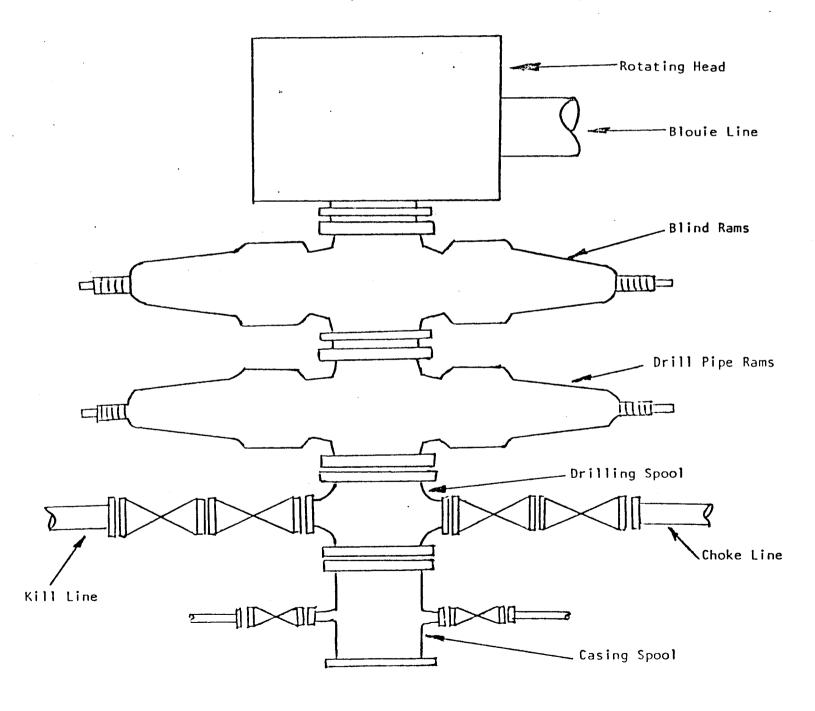
- 1. Surface Casing: 9-5/8" O.D., 32.3 #/ft., L.S., Short T&C, set at 200' or deeper, cemented with pump and plug method back to the surface or bottom of cellar.
- 2. Casinghead Flange: 9-5/8" x 10"-900 series casinghead with two 2"- 2000 psi L.P. outlets.
- 3. Intermediate Casing: 7", 20#, L.S., set at 2300' and cemented with 150 sacks.
- 4. Blowout Preventor: A 10" 3000 psig W.P. double gate hydraulic shaffer BOP (or equivalent) with drillpipe rams and blind rams. All fill, kill and choke lines will be minimum of 2" 2000 psi W.P. A Grant rotating head will be used while air and mist drilling. A new rubber will be installed prior to drilling through the Dakota. BOP's will be worked daily. Blind rams will be checked during trips. BOP's will be tested to 1000 psi prior to drilling shoe joint on surface casing and intermediate casing.
- 5. Auxiliary Equipment: (a) Drill pipe floats will be allowed at contractor's discretion. (b) Visual monitoring of air returns will be maintained. (c) Upper kelly cock will be used. (d) Stabbing valve will be kept on floor.
- 6. Anticipated bottom hole pressure is less than 1000 psi at 5746' or a gradient of .174 psi/ft or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

By:

James G. Routson Petroleum Engineer Air drilled wells using 900 series wellhead equipment.

Interval from 200' to total depth.



Surface Use Program
Lone Mountain Production Company
Quinoco Federal No. 11-3
NE4NW4 Section 11, T17S, R24E
Grand County, Utah

1. Existing Roads

See Maps #1 and #2 and Plat #1. This proposed well is located approximately 20 miles north of the I-70 Highway Westwater Interchange atop Bryson Ridge. It is reached by going north and east 1.4 miles from the interchange to the East Canyon Road. Then turn left and go northwest 5.6 miles to the "T" intersection. Then turn right and go 10.6 miles up the Bryson Ridge Road to the well location.

The existing gravel and dirt roads are Grand County roads. Lone Mountain Production Company will share maintenance on those roads with Grand County and the other oil and gas operators in the area.

2. Access Roads to be Constructed

See Map #1 and Plat #2. The proposed new road consists of a short 60-foot approach road to the left side of the main Bryson Ridge road. It will be constructed as part of the southeast corner of the well pad.

3. Location of Existing Wells

See Map #3. There are six producing wells, two temporarily abandoned wells, and one proposed location within one mile of the proposed location.

4. Location of Production Facilities

a) On Well Pad. See Plat #4. (Paint everything dark green.)

Location and Type of Water Supply

The water source for this well is West Salt Creek. The pickup point is on Old Highway 6 & 50 about 2.5 miles west of Mack, Colorado. The water will be hauled over the well access road.

6. Source of Construction Materials

No construction materials will be used other than native materials. Soil from cuts will be used in fills. No outside material will be brought in.

7. Methods for Handling Waste Disposal

Cuttings will be buried in the reserve pit at cleanup. Garbage and other waste material will be contained in a trash cage. This

Surface Use Program - Page 2

cage will be dumped at an approved sanitary landfill. Human waste will be disposed of in chemically treated sanitary pits.

Drilling fluids will be contained in the reserve pit and left to evaporate. Any fluids produced during testing operations will be collected in a test tank. If a test tank is not available, the fluids will be contained in the reserve pit. Any spills of oil, gas, salt water, or noxious fluid will be cleaned up and removed.

If the well is productive, produced water will be disposed of on site for 30 days only or 90 days with the permission of the State Petroleum Engineer. After that time application will be made for approval of permanent disposal method in compliance with the rules and regulations of the State of Utah.

8. Ancillary Facilities

No ancillary facilities are planned.

9. Wellsite Layout

See Plat #2 - Pit and Pad Layout See Plat #2A - Cross Sections of Pit and Pad See Plat #3 - Rig Layout

The location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and fracturing equipment.

The location construction will begin by stripping and stockpiling all available (4-6") topsoil. The stockpile will be along the north end of the location.

The reserve pit will be constructed along the west side of the well pad. The pit will be fenced on three sides during drilling and closed on the fourth side at rig release. The fence will be maintained through completion and while the pit area is drying.

10. Plans for Reclamation of the Surface

If the well is productive, the reserve pit will be allowed to dry and then backfilled. All of the area not necessary for production will be resloped, covered with available topsoil, and revegetated using a seed formula supplied by the Bureau of Land Management.

If the well is abandoned, the entire area of disturbance will be returned to a reasonable contour approximating the topography of the surrounding area. The topsoil will be distributed over the recontoured area and revegetated using the appropriate seed formula.

Surface Use Program - Page 3

Cleanup will begin after completion rig release and resloping should begin by the Fall of 1987.

11. Surface Ownership

All lands involving new construction are federal lands.

12. Other Information

The vegetation is sparse and includes juniper, sagebrush, western wheatgrass, Indian rice grass, and a few annual plants. A cultural resource survey of this well is being done and the report will be filed with BLM-Moab.

13. Lessee's or Operator's Representatives and Certification

James G. Routson Lone Mountain Production Company P. O. Box 3394 Billings, Montana 59103 Office Phone: 406 - 245-5077 Home Phone: 406 - 245-8797

Ken Currey
Field Consultant
P. O. Box 1491
Fruita, Colorado 81521
Office/Home Phone: 303 - 858-3257
Mobile Phone: 303 - 245-3660, Unit 6258

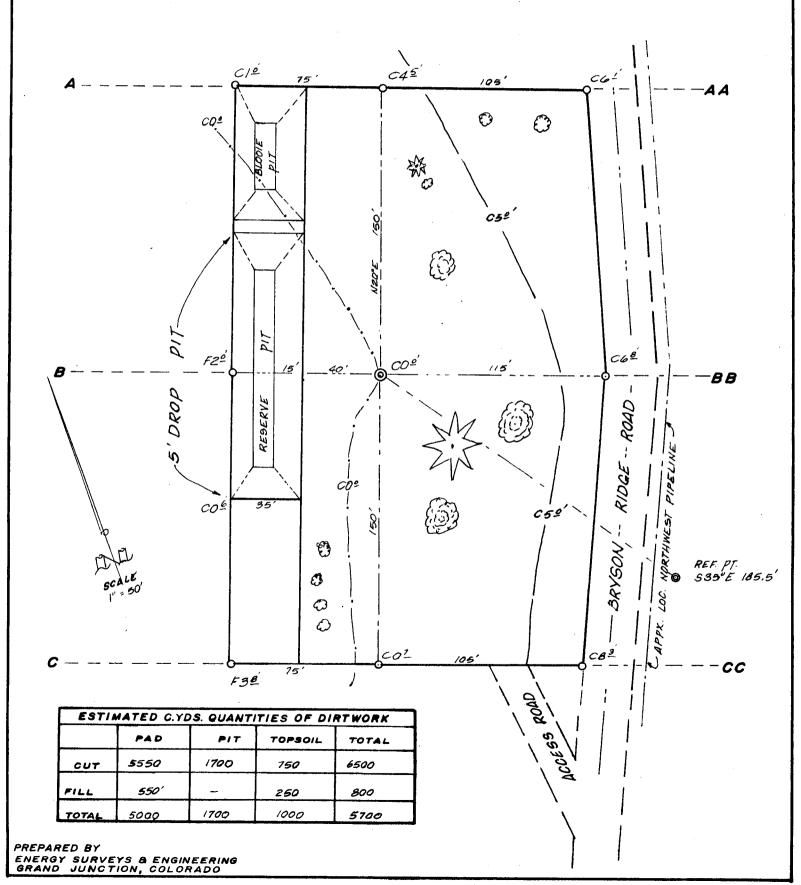
I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge true and correct; and that the work associated with operations proposed herein will be performed by Lone Mountain Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

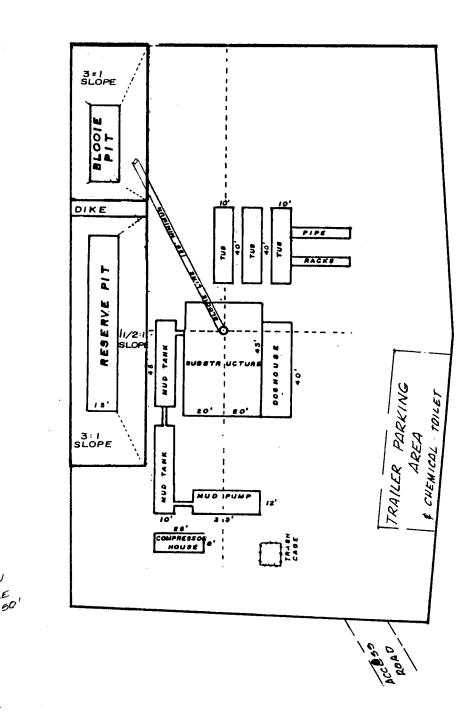
March 25, 1987

Date

James G. Routson

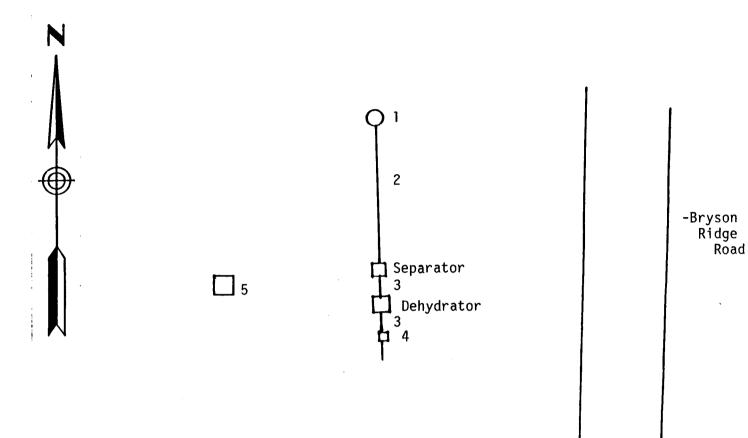
LONE MOUNTAIN PRODUCTION CO. QUINOCO FEDERAL # 11 - 3





LONE MOUNTAIN PRODUCTION CO.

QUINOCO FEDERAL # 11-3



- 1. Wellhead will be a 6"-900 series flanged top. Tubing head will be 10"-900 x 6"-3000 psi with two 2" 3000 psi flanged valves. Tree will be 2" screwed x 2000 psi W.P.
- Line between wellhead and separator will be approximately 100 feet in length and constructed of 2-3/8" .218 wall seamless, welded, wrapped and buried approximately 5 feet deep.
- Line between separator and meter will be 2-3/8" OD seamless, .218 wall, welded, coated, wrapped and buried, and will be approximately 25 feet in length.
- 4. Meter run will be American 2" run, or equivalent, 1000 psi static rating, 100" of water differential rating.
- 5. Pit, if necessary, will be 10' x 10', enclosed by dikes and fenced.

MAP NO. 3

WELL MAP

Wells within one mile of proposed Federal No. 11-3:

SW¹ Section 1: Quinoco Federal No. 1-14 Reinauer

NW1 Section 2: Quinoco State No. 2-7

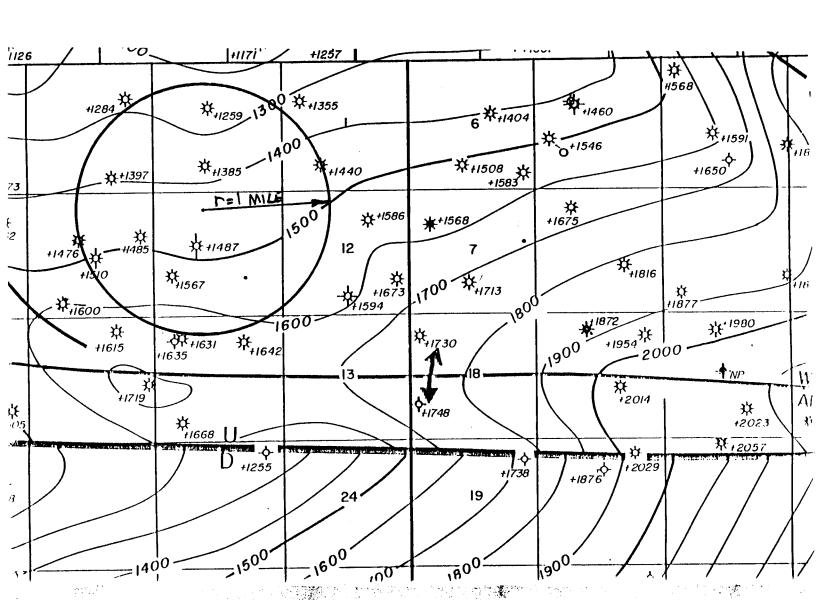
SW4 Section 2: Quinoco State No. 2-14 SE4 Section 3: Quinoco Federal No. 3-15

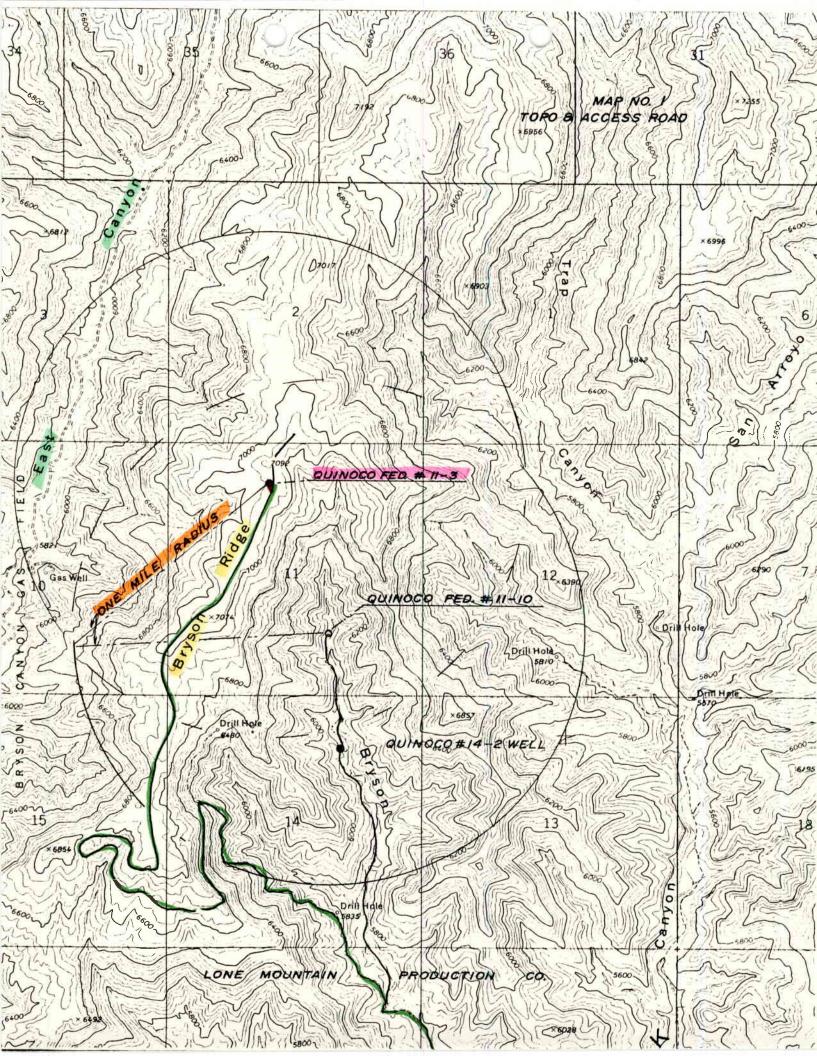
NE¹/₄ Section 10: Beartooth Bryson Canyon Unit No. 16 SE¹/₄ Section 10: Trend Oil Bryson Canyon Unit No. 9

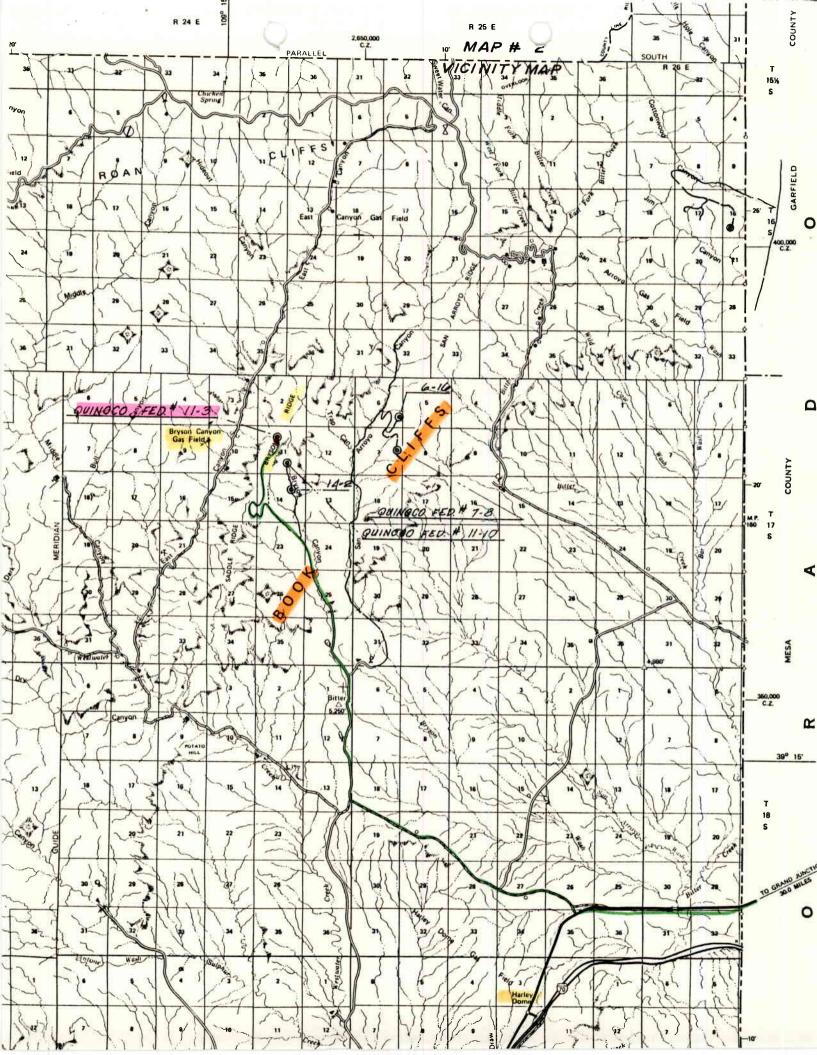
NW1 Section 11: Quinoco/Lone Mountain Federal No. 11-6

SW Section 11: Quinoco Federal No. 11-12

SE¹ Section 11: Lone Mountain Federal No. 11-10 (proposed)







040733

OPERATOR Jone Mountain Prod. 6. DATE 41-87
WELL NAME Federal 11-3
SEC NENW 11 T 175 R 24E COUNTY Frank
43-019-31240 Ital. API NUMBER TYPE OF LEASE
CHECK OFF:
PLAT BOND NEAREST WELL
LEASE FIELD POTASH OR CIL SHALE
PROCESSING COMMENTS:
Water - Much Co.
APPROVAL LETTER:
SPACING: 203 INIT 302
/3-6 8/28/86 302.1 CAUSE NO. & DATE
STIPULATIONS: 1- The Flat 11-B shall be plugged before
the Ged. 11-3 you on production.



355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 6, 1987

Lone Mountain Production Company 408 Petroleum Building P. O. Box 3394 Billings, Montana 59103

Gentlemen:

Re: Federal 11-3 - NE NW Sec. 11, T. 17S, R. 24E 888' FNL, 2050' FWL - Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 13-6 dated August 28, 1986, subject to the following stipulations:

 The Federal 11-6 well, SE NW Sec. 11, T. 17S, R. 24E, shall be plugged and abandoned prior to producing the Federal 11-3 well.

In addition, the following actions are necessary to fully comply with this approval:

- Spudding notification to the Division within 24 hours after drilling operations commence.
- Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
- Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
- 4. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.

Page 2 Lone Mountain Production Company Federal 11-3 April 6, 1987

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31240.

Sincerely,

R. Dirth

Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T

Form 3160-3 (November 1983) (formerly 9-331C) SUBMIT IN TRIPLICATE.

(Other instructions on reverse side)

Form approved 0724
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SESIAL NO.

BUREAU OF LAND MANAG		U-49534	Dila	
APPLICATION FOR PERMIT TO DRILL, I	DEEPEN, OR PLUG	BACK	6. IF INDIAN, ALLOTTEE	OR TRIBE NAME
DRILL X DEEPEN	☐ PLUG BA	ск 🗆	7. UNIT AGREEMENT N	AMB
b. TIPE OF WELL OIL WELL GAS WELL OTHER 2. NAME OF OPERATOR	SINGLE MULTII	'LE 🗌	8. FARM OR LEASE NAM	(B
Lone Mountain Production Company			Federal 9. WELL NO.	
3. ADDRESS OF OPERATOR 408 Petroleum Building, P.O. Box 3394,	Billings, Montana	59103	11-3 10. FIELD AND POOL, O	R WILDCAT
4. LOCATION OF WELL (Report location clearly and in accordance with At surface	th any State requirements.*)		Bryson Canyor	
888' FNL, 2050' FWL At proposed prod. zone Same			NEINWI Sec. 11-	EA .
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POS			12. COUNTY OR PARISH	13. STATE
24 miles northwest of Mack, Colorado			Grand	Utah
15. DISTANCE FROM PROPUSED* Lease Line: 432' LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.Drilling Unit: 590' (Also to nearest drig, unit line, it any of the control of	16. NO. OF ACRES IN LEASE	TO TH	F ACRES ASSIGNED 18 WELL 60	
18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NONE	19. PROPOSED DEPTH 60001		T OR CABLE TOOLS	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7061' GL, 7072' KB			22. APPROX. DATE WO	
23. PROPOSED CASH	NG AND CEMENTING PROGR	AM		

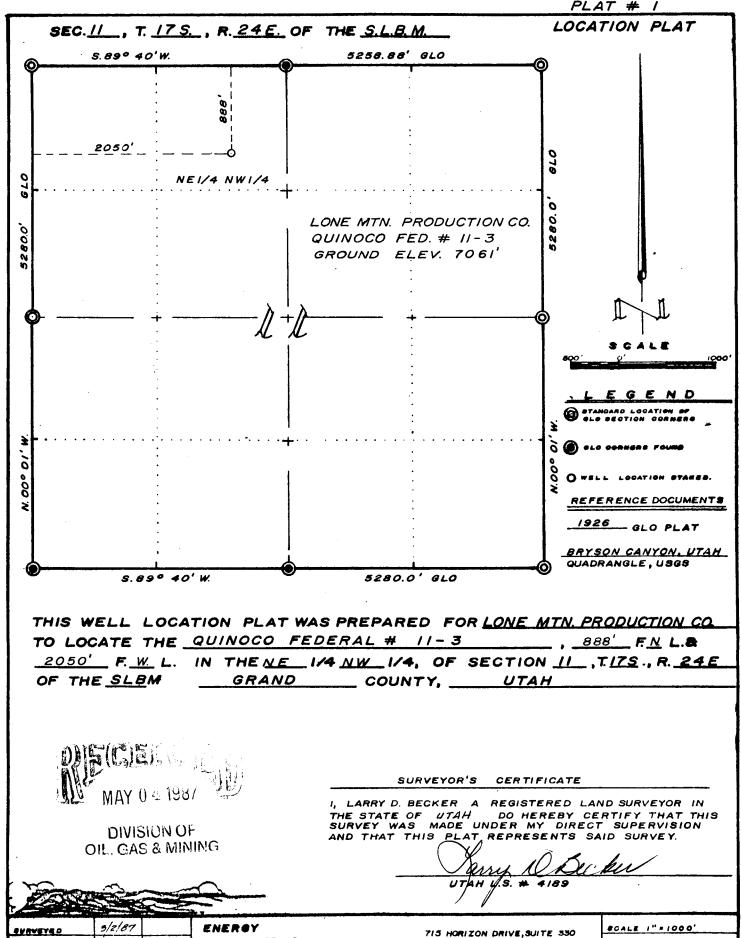
MAY 0 4 1987

SLM

DIVISION OF OIL, GAS & MINING

preventer program, if any.	acchem arrectonumit, State hereinent	data on subsultace focations and measured an	d true vertical depths. Give blowout
SIGNED J. WWO. J.	Routen	Petroleum Engineer	BER GR BATE DIATED 25 1987
(This space for Federal or S	itate office use) A - 310LO	APPROVAL DATE	RES RES AR 26 FLAND
APPROVED BY	nes J. Thawis TITL	Acting Distant MAKAGER	DATE DATE OF THE PARTY OF THE P
FLARING OR VENTING OF IAS IS SUBJECT TO NTL 4-A DATED 1/1/80	CONDITIONS OF A	PPROVAL ATTACHED	AREA IO: 12 ERIOR GEMENT

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



GRAND JUNCTION, CO 81501

(805) 245 - TERI

JOB NO.

SURVEYS &

ENGINEERING CORP.

3/5/87

3/5/87

OHECKE D

Lone Mountain Production Company Well No. Federal 11-3 Sec. 11, T. 17 S., R. 24 E. Grand County, Utah Lease U-49534



DIVISION OF OIL. GAS & MINING

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Lone Mountain Production Company is the bonded entity on this application. Liability will remain with the bonded party named above until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Office. If operations are to be suspended, prior approval of the District Office will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the District Office within a minimum of 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Order No. 1 this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continued each month until the well is plugged and abandoned. This report will be sent to the District Office, P.O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Area Office in accordance with requirements of NTL-3A.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations verbal approval to bring on a replacement rig will be approved through the District Office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

If the well is to be completed for production the Area Office is to be contacted in order to set up a pre-production conference. When the well is placed in a producing status the District Office is to be notified by telegram or other written communication within five working days.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

No well abandonment operations will be commenced without the prior approval of the District Office. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Office. A Subsequent Report of Abandonment (Form 3160-5) will be sent to the District Office within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Office, or the appropriate surface managing agency. Upon completion of approved plugging a dry hole marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped. The following minimum information will be permanently placed on the marker; "Fed" or "Ind", as applicable, "Lease number", "Well number", location of well by 1/41/4 section, township, and range.

B. SURFACE USE PROGRAM

The operator will contact the Grand Resource Area at (801) 259-8193, forty-eight (48) hours prior to beginning any dirt work on this location.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.

Immediately upon completion of drilling, the location, and surrounding areas will be cleared of all remaining debris, materials, trash, and junk not required for production.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

The operator or his contractor will notify the Grand Resource Area at (801) 259-8193 forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

051414

DIVISION OF OIL, GAS AND MINING

43-019-31240

SPUDDING INFORMATION

NAME OF COMPANY: LONE MOUNTAIN PRODUCTION CO.

WELL NAME: FEDERAL #11-3			
SECTION 11 TOWNSHIP 175 RANGE	24E	COUNTY GRAND	
DRILLING CONTRACTOR VECO DRILLING	·		· · · · · · · · · · · · · · · · · · ·
RIG #2			
SPUDDED: DATE 5/11/87			
TIME 7:00 pm			
How Rotary	·		
DRILLING WILL COMMENCE	-		
REPORTED BY Jim Rouston	_		
TELEPHONE $\frac{4}{7}$ 406-245-5077	<u></u>		
DATF 5/12/87	SIGNED_	SBH	

the state of the s	1
BUREAU OF LAND MANAGEMENT	U-49534
SUNDRY NOTICES A_D REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plus back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)	051902
1.	7. UNIT AGRESSION TRANS
O'L GAM WELL OTHER 2. NAME OF OFERATOR	8. PARM OR LEADE NAME
Lone Mountain Production Company	Federal
3. ADDRESS OF OPERATOR	0. walt no.
P. O. Box 3394, Billings, Montana 59103 1. Toration or while (Itelept location clearly and in accordance with any State requirements.* See also appear 17 below.) At author.	No. 11-3
888' FNL, 2050' FWL	Bryson Canyon II. BEC, T, B., M., OR BLR, AND BURNET OR ARRA
14. PERMIT NO. 16. ELEVATIONS (Show whether Dr. Rt. OR, etc.)	NE/4 NW/4 Sec. 1]-T17S-R24
43-019-31240 7061 GL, 7072 KB	Grand Utah
16. Check Appropriate Box To Indicate Nature of Notice, Report, or C	Other Data
NOTICE OF INTENTION TO:	UNIT REPORT OF:
TEST WATER BHUT-OFF PULL OR ALTER CASING WATER SHUT-OFF	REPAIRING WELL
PRACTURE TREAT MULTIPLE COMPLETE PRACTURE TREATMENT ADMINISTRATION ADMINIS	ALTERING CABING
REPAIR WELL CHARGE PLANS (Other) Spud NO	tice ABANDONMENT X
	of multiple completion on Well letion Report and Log form.)
 DESCRIBE PROPOSED OF CONFIDENTIAL OFFRATIONS (Clearly state all pertinent details, and give pertinent dates, proposed work, if well is directionally drilled, give subsurface locations and measured and true vertice nent to this work.) * 	
Spudded 12½" hole @ 7:00 P.M., May 11, 1987. Drilled to 222' Ran 95/8", 40#, L-S- casing to 218'. Cemented with 150 sack ½# celloflake/sack. Good cement to surface.	KB. class "G", 3% CaCl ₂ ,
Veco Drilling Co. Rig No. 2	
Notified Verlene Butts, BLM, Moab Utah @ 9:00 A.M. 5/12/87	
Notified Sandy Hunt, Utah Division of Oil, Gas & Mining @ 9):15 A.M. 5/12/87
DECEME	
RECEIVE	U
	_
MAY 1 4 19	87
DIV. OIL, GAS, N	MINING
18. I hereby certify that the foregoing to true and correct	
BIGNED TITLE Petroleum Engineer	DATE May 12, 1987
(This space for Federal or State office use)	
APPROVED BY TITLE TOURD	DATE

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394 408 PETROLEUM BUILDING BILLINGS, MONTANA 59103-3394 (406) 245-5077



May 20, 1987

DIVISION OF OIL, GAS & MINING

Division of Oil, Gas & Mining State of Utah 355 W. North Temple 3 Triad Center, Suite 350 Salt Lake City, UT 84180

Attention: Ron Firth

Dear Ron:

Enclosed is a Sundry Notice status report and a Report of Water Encountered for our Federal No. 11-3 well in Section 11, T17S-R24E, Grand County, Utah. These notices are submitted in duplicate.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY

James (Routson

/lw

Enclosures

· · · · · · · · · · · · · · · · · · ·	UNITED STATES MENT THE INT AU OF LAND MANAGEM		uctione o . i	Budget Bureau Ho. Expires August 31 LEASE DESIGNATION AND U-49534	, 1985
SUNDRY NO	TICES AND REPORT	S ON WELLS lug back to a different z	eservoir.	0526	/1
OIL GAR WELL OTHER				UNIT AGREEMENT NAME	
2. NAME OF OPERATOR	TON COMPANY			FARM OR LEASE NAME	
LONE MOUNTAIN PRODUCT	TUN CUMPANT			Federal	
P.O. Box 3394, Billi 4. Encarios of well (Report location See also space 17 below) At surface	ngs, Montana 5910	3 any State requirements.	• 10.	No. 11-3 FIELD AND POOL, OR W	ILDCAT
888' FNL, 2050' FWL				Bryson Canyon SEC., T., B., M., OR BLE. BURYET OR AREA	AND
14. PERMIT NO.	15. ELEVATIONS (Show wheth	er DF, RT, GR, etc.)		NE/4 NW/4 Sec	
43-019-31240	7061 GL, 7072	KB		Grand	_Utah
16. Check A	ppropriate Box To Indica	ie Nature of Notice	, Report, or Other	^r Data	
NOTICE OF INTE	NTION TO:		THEUDERSUS	abpost of:	
TEST WATER SHUT-OFF FRACTURE TREAT AHOOT OR ACIDIZE REFAIR WELL (Other) 17. DESCRIBE PROPOSED OR COMPLETED OF proposed work. If well is direct nent to this work.)	CHANGE PLANS	Compl	R ACIDIZING R Report results of metion or Recompletion	ALTERING WELL ALTERING CASIN ABANDONMENTS STATUS REPO Initially completion on Report and Log form. Adding estimated date of	rt X
with 150 sac Drilled 6¼" with 175 sac	4' hole to 2285'. ks 50-50- poz, 3% (hole to 6000'. Rar ks 10-0 thixotropic	Cacl ₂ . 1 4½", 11.6#, N	_		
Rig released	at 1:00 P.M., May	19, 1987			
Log Top	s: Castlegate: Mancos Dakota Silt Dakota Sand Morrison	2051 2280 5594 5666 5860	(+5021) (+4792) (+1478) (+1406) (+1212)		
Plan to star	t completion about	May 27, 1987			
					·
81GNED James G. ROU	TITLE	Petroleum E	ngineer	DATE May 2	0, 1987
(This space for Federal or State of APPROVED BY CONDITIONS OF APPROVAL, IF	TITLE _			DATE	

*See Instructions on Reverse Side



To: LONE MOUNTAIN PRODUCTION P.O. BOX 3394

BILLINGS, MONTANA 59103

Date: JUN. 8, 1987 Number: TMI/LMP 87-9

GAS ANALYSIS

COMPANY: LONE MTN. PROD.

SUBMITTED BY: RALPH SNOW

SAMPLE IDENTIFICATION: FED. 11-3

DATE SAMPLED: JUN. 2, 1987

DATE RECEIVED: JUN. 3, 1987

DATE TESTED: JUN. 3, 1987

HEATING GAL. SUMMA- COMPR- SP.GR. VALUE LIQ./ IDEAL GROSS HEATING VALUE, DRY, BTU/SCF COMPRESSIBIL- TION ESS. F FRACT- FRACT- 1000 IDEAL GAS (60F and 760 mm Hg) ITY FACTOR FACTOR RACTION ION. CAL. MOLE %, SPECIFIC ,H , SOR b XSOR b X G e STP. Z NUMBER NAME /100=X GRAVITY.6 HYDROGEN 0 .0696 325.02 1.0006 0 1 .982 .1342 9.1E-4 .01037 17.144 .18693 2 PROPANE .681 1.5225 2517.5 3252.7 .9696 .1744 2.4E-4 .00281 4.5538 .04565 4 .14 2.0068 ISO-BUTANE HYDROGEN SULFIDE .0985 0 0 5 0 1.1765 637 .9903 .1825 2.1E-4 .00235 3.8167 .03677 .9667 .117 2.0068 3262.1 h N-BUTANE .9482 .2276 1.4E-4 .00156 2.5066 .02287 10 ISO-PENTANE .06266 2.4911 4000.3 .2377 7.5E-5 7.9E-4 1.2698 .01144 N-PENTANE .03167 2.4911 4009.6 .9435 11 CARBON DIOXIDE .988 1.5195 .99432 .064 6.3E-4 .01501 12 1768.8 .9916 .0917 .00314 .03554 60.546 14 ETHANE 3.423 1.0382 .027 0 ٨ 0 .99927 OXYGEN 0 1.1048 15 .0164 7.0E-5 .00411 .99973 .425 .9672 16 NITROGEN .0436 .04104 .52140 950.45 .9981 17 METHANE 94.132 .5539 1009.7 . 283 0 0 19 0 3.4596 5502.8 .92 0 0 2.9753 4756.2 .92 .283 n Λ 0 20 C6 + 4746 .92 .283 0 0 2.9753 21 .04647 .59393 1040.3 .30367 TOTALS 100.00

NOTES: Z=

.99784. IDEAL SPECIFIC GRAVITY OF MIXTURE =

.59393. REAL SPECIFIC GRAVITY OF MIXTURE =

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) =

1040.3. REAL GROSS, DRY HEATING VALUE = 1042.5

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826. THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145-82 AND 2172-76.

RESPECTFULLY SUBMITTED.

CARLON C. CHAMBERS, P.E.

PRESIDENT

Form 3160-4 (November 1983) (formerly 9-330)

UN-ED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPL E.

(Sec other instructions on reverse side)

Form approved.

		August		1004-0 1985	137
FARE	DESI	CNATION	AND	SERIAL.	NO

	t	UREAL	J OF LAN	D MANAGE	MEN	· ·				U-	-49534		
WELL CC	MPLETIO	N OR	RECON	APLETION	1 1/2	PAS (P	1747	वद्गा	6. IF	INDIAN, A	ALI,OTTI	E OR TRIBE NAME
1a. TYPE OF WE		VELL	GAS WELL	DRY	7 1	il G	7	F	(CII	- UN	IT AG	76	700
b. TYPE OF CO			W 15.00.		_	W~		0.400	7	וו	U		23
NEW X		DEEP-	BACK .	DIFF. RESVR.] 8	ther JU	<u>L U</u>	<u>2 198</u>	/	8. FA	RM OR LE	ASE NA	MD
2. NAME OF OPER	ATOR						11/10/	0N 0F		Fe	deral		
Lone Mount	tain Produ	ction	Company	1			-	ON OF	NO	9. W	ELL NO.		
3. ADDRESS OF OP	ERATOR					•		& MINI	NG		. 11-3		
408 Petro	leum Bldg.	, P.O	. Box 33	<u>394, Bill</u>	ing	s, MT 59	9103			1			DR WILDCAT
				ccordance with	t any	State require	ments)*			yson (
At surface	B88' FNL,	2050'	FWL							11. 8	EC., T., R., R AREA	м., ок	BLOCK AND SURVEY
• •	iterval reported	below	Same							NE 1	NW l Se	ec. 1	1: T17S-R24
At total depth	Same												
				14. PERMIT		_	4-6			P	OUNTY OR ARISH		13. STATE
15. DATE SPUDDED	16. DATE T.D		_ 1 44	43-019-							and	10 -	Utah
5-11-87	5-18-8	_	6-4-		ry to	18.			707		11.,	706	
20. TOTAL DEPTH, MI	21.		K T.D., MD & 1		MULTI W MA	PLE COMPL.,	-	23. INT	ERVALS LLED BY		RY TOOLS		CABLE TOOLS
6000'		5942'							<u>-> </u>	0 -	6000'	•	NONE
24. PRODUCING INT					E (MI	AND TVD)*						1 .	SURVET MADE
Dakota Sar	ndstone -	580	5 - 5850)'								N	0
26. TYPE ELECTRIC	A	_									2		WELL CORED
GR-FDC-CN	, DIL, GR	R-CBL-	VDL 6	,-9-87	7							No	
28.			CASI	NG RECORD (Repor		set in						
CASING SIZE	WEIGHT, I		DEPTH SET	(MD)		E SIZE			HONE			- -	AMOUNT PULLED
9-5/8"	36# J-5		222'			-1/4"			"G" 3			<u> </u>	
7"	23# J-5		2227			-3/4"		<u>u sx</u> 5 sx		POZ	3% La	CaCl none	
4-1/2"	11.6# N	1-80	5995'		0	-1/4"	1/	o sx	KFC		 		none
29.		LINE	R RECORD	 				30.	7	rubine	G RECOR	LD	
SIZE	TOP (MD)		OM (MD)	SACKS CEMEN	T*	SCREEN (MD		SIZE			SET (MD)		ACKER SET (MD)
None		-					<u> </u>	2-3/8	1	586			5800'
Hone		-			-		_ -					-	
31. PERFORATION R	ECORD (Interval	, size and	number)			82.	ACII	о, внот	, FRACT	URE, C	EMENT	SQUEE	ZE, ETC.
FOOE ED	EO 46 h	200	275" 4	iamotor	- 1	DEPTH INT	ERVAL	(MD)	AM	OUNT A	ND KIND	OF MA	TERIAL USED
2002 - 20	50', 46 h	Jies,	.3/3 u	lanerei	1	none			ļ				
								·····	l			 	
									<u> </u>				
33.° Date First Produc	TION PE	ODUCTION	METHOD (F	P lowing, gas lif		UCTION npina—size a	nd tu	pe of pu	mp)		WELL S	TATUS ((Producing or
6-3-87		Flow							<i>-,</i>		shut-	ⁱⁿ⁾ Sł	nut in
DATE OF TEST	HOURS TEST	ED C	HOKE SIZE	PROD'N. FO		OIL-BBL.	1	GAS-M			ER-BBL.	G/	S-OIL RATIO
6-10-87	24		1/4"	>	-	0		1029		<u> </u>	0		
FLOW, TUBING PRESS.		2	ALCULATED 4-HOUR RATE	OIIBBI.		GASM		,	WATER-	_	1	OIL GRA	VITY-API (CORR.)
705 psig	740 ps			0		11	029		0	·		·	
34. DISPOSITION OF	gas (Soid, used	jor juel, 1	ventea, etc.)								withess ve Te		ı
Vented	U M E MATE									ן טמ	146 161		
35. LIST OF ATTAC		forwa	rded di	roct hy s	ser.	vice com	nani	es l					
udS diidiy 36. I hereby certif	v that the fores	OING and	attached in	formation is c	omple	ete and corre	ct as	determin	ed from	all ava	ilable rec	ords	
	Δ h		+			James G.							15-87
SIGNED	comer b	- 1/4g	wan	TITLE		etroleur					DATE		13 -07
/1						WI							

*(See Instructions and Spaces for Additional Data on Reverse Side)

open, flowing and shut-in pressures, and 38. GEOLOGIC MARKERS	DESCRIPTION, CONTENTS, ETC.	TRUE TRUE VERT. DEPTH VERT. DEPTH	Castlegate 2051 (+5021) Mancos 2280 Dakota Silt 5594 (+1478) Dakota Sand 5666 (+1406) Morrison 5860 (+1212)	
tool	DESCRIPT	•	Gas.	
erval tested, cus	BOTTOM		. 0 2826 383 383 383 383 383 383 383 383 383 38	
cluding depth into	TOP		- 5 08 5	
drill-stem, tests, including depth interval tested, cushion used, time recoveries):	FORMATION		Dakota	·-

(b)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 3 TRIAD CENTER, SUITE 350 SALT LAKE CITY, UT 84180-1203

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number	Federal No. 1	1-3		
OperatorLone Mountain	Production Co	mpany Address B	ox 3394, Billings,	MT 59103
Contractor Veco Dril	ling Company	Address_P	.0. Box 1705, Grand	d Junction, CO 81502
Location NE 1/4	NW 1/4 Sec.	11 T. 17S	R. 24E County	Grand
Water Sands			·	
Depth		Volume	Quality	
From To	Flow	Rate or Head	Fresh or Sa	lty
1. No water sands enc	ountered.		· · · · · · · · · · · · · · · · · · ·	
3				
4				
5. <u>(C</u>	ontinue on rev	verse side if nece	essary)	
Formation Tops	Castlegate Mancos Dakota Silt	2280 (+4792)	Dakota Sand Morrison	5666 (+1406) 5860 (+1212)
Remarks		•		
	n this form as tion General f		Rule 806, Oil and	Gas

If a water analysis has been made of the above reported zone,

please forward a copy along with this form.

(Formerly 9331) DEPARIMENT OF THE INTERIOR **erse** #Ide) BUREAU OF ND MANAGEMENT		5. LEASE DESIGNATION AND BERIAL NO. U-49534		
	SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)	o. if indian, allowing	771 "SGW	
ī.		7. UNIT AGREEMENT NA	i R	
	Lone Mountain Production Company OCT 15 1987	Federal		
	408 Petroleum Bldg., P.O. Box 3394, Billings, DNISSAQE LOCATION OF WELL (Report location clearly and in accordance with any State requirement MINING See also space 17 below.) At surface	11-3 10. FIELS AND FOOL, OR Bryson Canyon	WILDCAT	
	888' FNL, 2050' FWL	11. SEC., T., B., M., OR BLE. AND SURVEY OR ARMA		
) (15. ELEVATIONS (Show whether DF, RT, GR, etc.) 43-019-31240 7061' GL, 7072' KB	NE NW Sec. 12. COUNTY OR FARISH Grand		
16	Check Appropriate Box To Indicate Nature of Notice, Report, or C	ther Data		
	TEST WATER SHUT-OFF PULL OR ALTER CASING WATER SHUT-OFF	ENT REPORT OF: REPAIRING W AUTERING CA		
	FRACTURE TREAT SHOOT OF ACIDIZE REPAIR WELL CHANGE PLANE MULTIPLE COMPLETE SHOOTING OF ACIDIZING (Other) REPORT OF FI	RST PRODUCTION of multiple completion of	T. X	
17	(Other) Completion or Recompletion Report and Log form.) DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*			
	FIRST DELIVERED (TO NORTHWEST PIPELINE COMPANY) AT 2:00 PM,	OCTOBER 9, 198	37.	
	TELEPHONED TO STEVE JONES, BLM, MOAB, UTAH, OCTOBER 9, 1987	AT 3:45 PM.		
	•. •			
18	signed James G. Routson TITLE Petroleum Engineer	DATE 10/12	/87	
1.12	(This space for Federal or State office use)			

*See Instructions on Reverse Side

TITLE _

DATE ___

APPROVED BY _______CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.